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Is Your Comp Program Leaving Money on the Table?

Finding or creating new methods of player profile building to ensure deeper and more meaningful connections

Ten days.

That's how much time the average local casino sees its average player for over the course of a year.

That's a player spending a meager 2.7% of his time during the year engaged with your brand. And that's a high estimate. Strip away the hours of those 10 days spent sleeping, eating, watching TV, and driving, and you're down to about six hours a day dedicated to gambling in your casino. That's 60 hours a year, out of a possible 8,760.

Your comp program probably works well when your average player is in-house. Regardless if the player is spending \$50 a day or \$5,000, she is accumulating comp points that she can turn into a free drink, a free meal, an extra night's stay, or a ticket to a show. The problem is, those points can be accrued only in-house. The instant the player steps outside your front door, their ability to earn points ceases and won't start again until their next trip.

If we assume that the 10 days a player spends in your casino is broken down into three or four weekend trips, we could be talking about months or an entire season going by before the player returns.

Hundreds of days pass by between trips means hundreds of missed opportunities to continue getting your brand image in front of the customer's eyes; hundred of missed opportunities for them to earn comp points to make their next trip the most memorable yet.

Is your comp program leaving money on the table? The purpose of this article is to answer that question by exploring the process of finding or creating new methods of player profile building to ensure deeper and more meaningful connections between casinos and their players.

The Other 355

For 355 days of the year, your player is not spending dollar one at your casino. Sure, a few times a year they'll plunk down the deposit for a two-night stay; maybe buy tickets in advance for a favorite entertainer who will be performing at your amphitheater, but that's where it ends. Your marketing does its part to try and get players to return more frequently, sending out 'thank you' notices and placards by mail inviting them back for a quick getaway, or blasting you emails with appealing discounts if they stay an extra night longer. Your advertising department buys up ad space during local sporting events on TV and the radio and carefully positions billboards on the interstate to remind motorists how tantalizingly close your casino, and all the fun and thrills that go with it, are from their current location.

Billboards are brilliant at selling the unique brand of fun casinos offer - from enormous novelty [poker chips](#) piled high to call to bring [pack your lucky underwear](#) for the trip. But research suggests that the billboard audience is not the casino gambler audience. According to research, [a whopping 72 percent](#) of billboard viewers sometimes or frequently shop on their way home work. That's a great figure if you're advertising beer or shoes or a movie currently in the theaters. But to count as successful advertisements, billboards for casinos need to get the viewer onto the premises where they can start spending money. It is exceptionally unlikely that a player driving on the interstate will see a billboard and immediately speed off to the casino.

TV and radio ads have somewhat of the same weakness when it comes to the immediate pull. Their imagery and messages are great, but they are generally serving as a reminder of previous engagements more than a catalyst for more frequent visits in the future.

Here's the problem: The amount of times the average player uses a computer or their smart phone in a year is not predicated on how effective or ineffective your current advertising plan is. The bottom line for your customers is their bottom line. They aren't coming 10 times a year instead of 15 times because the fun runs out after visit number 10. That number is fixed almost entirely on how much disposable income each player has to spend on their entertainment - the cost of the room, the meals, not to mention whatever limit they're putting on how much they are willing to lose at the casino.

The commercials and billboards and radio ads are then not having any effect whatsoever on your average existing customer. The jingles and slogans aren't making them spend any extra money at your establishment because those forms of branding don't scratch them where they itch - getting comps.

When a player is in a casino and hits a certain strata of dollars spent at a gaming table, suddenly a host is there to offer them an extra free night's stay. The player does the math in their head: instead of going home Sunday morning, they can spend an extra night, take a half-day vacation on Monday, and get back to their job that afternoon. They've already seen the show they came to see with their wife, so that means all they have to pay for is meals and the actual gambling money in the casino.

If the player has won any amount of money during the stay, or simply lost fewer dollars than they had budgeted for, the extra night is a win for them. The casino in turn is giving away almost nothing - the room the player and his wife are staying in would likely otherwise be empty on a Sunday-to-Monday swing - and making money by doing so. Every dollar a player spends extra on food, drink, slots, tables, tips, etc., is reflected in the casino's bottom line.

But players can't earn comps when they're not in the casinos, and therein lies our problem. When they aren't inside the establishment, casinos and gambling aren't really on their minds. But they are continuing to spend money, lots and lots of it, and casino operators need to realize there is a tremendous opportunity for them to see more than their current share of it.

Big Data Made Small

In 1998, Caesars Entertainment launched its Total Rewards loyalty program. The term "big data" was almost never used in those days, but today it's one of the biggest buzzwords in digital technology as it pertains to business. Before we dive into big data in the casino world, let's get it clearly defined.

Oracle, the international maker of cloud technology and database software, [describes big data](#) as a "holistic information management strategy that includes and integrates many new types of data and data management alongside traditional data."

Big data is classified by the 4 Vs, which are:

1. **Volume** - the amount of data coming in
2. **Velocity** - the rate at which data is received and potentially acted upon
3. **Variety** - how many new types of data are being received
4. **Value** - the value of said data; how an organization can use it to better its own performance

Caesars began using its Total Rewards program to collect big data about its players, things that normally wouldn't be tracked during their stay at a casino. As players advanced through Caesars' arrangement of tiers of rewards, players gave the management company more and more information about their personal and spending habits regarding casinos and gambling.

Caesars began to learn what ranked most importantly for their players on a trip - the hotel room, the success gambling, the food, the entertainment? They learned their players' favorite games, favorite rooms, favorite restaurants, and favorite types of entertainment. They used all that knowledge to start customizing their players' experiences.

When Carl from Texas showed up every February to enjoy a long weekend with his bonus money from Christmas, he was greeted at the front door by his first name and immediately taken to the blackjack table, where he'd been spending 85% of his time on each of his past three trips. After a few rounds, a casino host appeared to ask him how his flight was, see how

everything was going, and over a drink voucher so Carl could grab a Long Island Iced Tea, his lucky drink when playing blackjack.

Five years into Caesars' big data drive, the tier system of Total Rewards drew the attention of the Harvard Business Review. Caesars Gary Loveman, at time the company's chief operating officer, [told the magazine](#), "We use database marketing and decision-science-based analytical tools to widen the gap between us and casino operators who base their customer incentives more on intuition than evidence."

Loveman made those remarks in 2003. Talk about being ahead of your time.

As Caesars continued to branch out from being "just a casino," it started giving players the chance to redeem comps for shopping and spa treatments and fancy meals. And every time a customer swiped his or her Total Rewards Card while redeeming a comp, Caesars collected even more data on them - what restaurants they were eating out, how much were they spending food against alcohol; what level hotel room they were comfortable in.

As the players continued to climb the tiers toward the top, they were filling out quick surveys from Caesars divulging even more about their spending habits - what other casinos did they frequent? Why did they choose there over Caesars? The casino's marketing department was getting first-hand knowledge of everything they wanted without having to raise a finger.

Building a Basic Player Profile

Of course, all the data in the world is worthless if you don't know how to harness it and channel it back out into worthwhile ways to make your brand stronger and your bottom line bigger. Being able to build a profile for your basic player from the big data you collect on is the essential tool in this environment. If you don't know who your average player is, how can you know what pain points to address when you market to them?

Depending on what your casino's current comp program looks like, you can accumulate data rapidly. Even at its most basic level, you'll likely be collecting your players' names, addresses, phone numbers, gender, and email addresses. But by adding simple surveys to comp offers, you can dive deeper into your player's' data points, finding out truly relevant things like:

- What is their household income for a year?
- What else do they spend their disposable income on?
- Do they visit other casinos throughout the year, and if so, how do they spread their spending around per casino?
- What are their favorite comps to receive?

If you find players to be standoffish on filling out surveys containing personal information, consider going the social media route with them. Request a "like" or a "friend request" from your players on Facebook to your casino page with the promise of comp points or items being added to their stay the next time they visit. Facebook and other social networks like Instagram and Twitter can be incredible data mines for learning more about how your players tick, what they do

for work, where they go on vacation, how many children they have, what restaurants they like, what brands they are loyal to, etc.

This data can lead to your players' experience being personalized to a level that makes them loyal to your brand like none other. But even if that brand loyalty results in an extra three-day trip during the year to your casino, you're still left with 352 days where the player does nothing to gain more comps and spends disposable income that could be going toward furthering your casino's brand and getting the player back to your location sooner rather than later.

Purchases for Points

You've got your supply of big data on every customer. You know where they spend their money when they are on property, and that's great, but as previously mentioned, that is only a small sliver of the individual's life. But there is so much more...

The answer to our original question of finding new ways to build player profiles comes from extending the comp program beyond your casino's front door into the world of online commerce. Players shop online for everything from computers to groceries to clothes to accessories for their cars, their boats, their homes, and their yards.

By partnering with online stores, you can give your players to earn comp points while they make purchases for things they'd buy online anyway. As they ring up savings online, they accrue more and more points that feed directly into your comp program. When they're ready to book their next trip to your location, they redeem the points for comps and cash in on free hotel rooms, upgraded show tickets, free food and drink vouchers, and special offers that you can put together to reward your most loyal players.

The program succeeds at numerous levels, starting with customers seeing your casino's logo on their monitor or digital device of their choosing each and every time they use the platform that allows them to turn online shopping trips into ways to earn extra comp points. This sort of branding is unprecedented in any sort of advertising; it places your logo and name in conjunction with everyday items and purchases that are a natural part of players' lives away from the gaming wheels and card tables.

Second, players are excited to see their comp point total steadily rise as they purchase from stores and brands they would buy online from anyway. They feel as if they are being rewarded for going through their lives as they normally would, living the ideal scenario of "getting something for nothing."

As their point totals rise higher and higher, that intrinsic level of excitement will translate into planning more trips in order to redeem their points. If rooms are comped, players might feel the attraction to add tickets to a show to their weekend or make reservations at a finer dining facility than they normally would. They will inherently be more willing to spend money on extra perks when they know they are getting something for free that they normally spend money on.

Third, the big data you will be collecting on your players regarding their spending habits in their daily lives will give you and your marketing team a granular overview of each player. Where they shop, what they buy, how much they spend, etc. Thus enabling you to make better and more personalized marketing decisions.

Last but certainly not least, every point the players earn while shopping means an increase in non-gaming income at your casino because the merchant partners will pay you the full cash value for each of those points they issue to your customers. And no matter what industry you are in, being able to make passive income when your customers aren't even on the premises is a game changer.